

Will the broadcast flag interfere with consumers ability to make copies of DTV content for their personal use, either on personal video recorders or removable media?

The problem with "personal use" is defining exactly what that means. Digital technology makes it easy to do the things that we could do with the old analog technology, but its real power is in the new things that you can do with the technology. That's why we're interested in it in the first place. A flag system must allow you to utilize the technology fully. The proposed system hampers playing back content on a TV through a local network (say on your kid's television set), copying the program to a harddrive (for use later), cutting clips out of programs for use in creating commentary.

Would the digital flag interfere with consumers ability to send DTV content across networks, such as home digital networks connecting digital set top boxes, digital recorders, digital servers and digital display devices? Personal use also entails being able to take the program over to a friend's house and watching it there. You can do this with a video tape. Flags shouldn't prevent you from doing this either, but current implementations might. Finally, the flags shouldn't be used to control how you watch the media. If you choose to fast-forward through commercials, the system shouldn't prevent you from doing so. The onus should be on the advertiser to produce engaging and relevant commercials, rather than forcing viewers to stay turned. On this last note, flags have proved to be used to control how a user can view content in DVDs. DVDs that force a view to watch commercials for upcoming movies seem like the perfect example that shows this technology being abused.

Would the broadcast flag requirement limit consumers ability to use their existing electronic equipment (equipment not built to look for the flag) or make it difficult to use older components with new equipment that is compliant with the broadcast flag standard? This is critical because the average user (not the early adopter) will refuse to change to the technology if it means they have to upgrade their entire system.

Would a broadcast flag requirement limit the development of future equipment providing consumers with new options? If limiting future development is not the intent, then there should be an enforced mechanism for obtaining keys for the content. Keys should be available to both the casual experimenter and the start-up company that can't afford licensing costs.

What will be the cost impact, if any, that a broadcast flag requirement would have on consumer electronics equipment? There will be costs associated with this. For starters, the flag protocol needs to be designed. From there, the hardware and software needs to be designed. And then enforcement becomes an issue - how do you pay for that enforcement? All of these costs will be passed on to the consumer. Those costs will slow the uptake of digital equipment.

#### Other Comments:

VCRs at this stage of the game (20 years since they started appearing in large quantities) are very, very good. They produce copies that are indistinguishable from the best broadcast copies. If content producers are worried about perfect copies of their material being out there, they should

have been worried about VCRs. The truth is they were worried about them. But their worries turned out to be unfounded. Instead, a whole to market place developed - the video rental store. Now, those rental markets are considered one of the largest and longest lasting markets for movies. The same will be true with digital media. Online distribution mechanisms, time shifted distribution mechanisms and probably many ideas we haven't come up with are all appearing. These new markets should be looked at as the gold mines that they are. Media producers should embrace them and the government should do what it can to produce free markets for them to appear in.